

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-193-C – ORDER NO. 2007-
_____, 2007

Application of FTC Communications,)	
Incorporated d/b/a FTC Wireless for)	OFFICE OF REGULATORY
Designation as an Eligible)	STAFF'S PROPOSED ORDER
Telecommunications Carrier under)	
47 U.S.C. 214 (e)(2))	
_____)	

INTRODUCTION AND JURISDICTION OF THE COMMISSION

This matter is before the Public Service Commission of South Carolina (the Commission) on the Application of FTC Communications, Incorporated db/a FTC Wireless (FTCC) for designation as an eligible telecommunications carrier (ETC) under 47 U.S.C. § 214(e)(2).

Pursuant to 47 U.S.C. § 214(e)(2), the Commission

shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) [provides the services supported by the federal Universal Service Fund and advertise the availability of such services] as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1).

By this Application, FTCC seeks authorization to receive support from the federal Universal Service Fund (USF) for use within FTCC's licensed service area in South Carolina.

More specifically, FTCC seeks ETC designation throughout the rural service area of its parent company, Farmers Telephone Cooperative, Incorporated.

BACKGROUND

On March 17, 2005, the Federal Communications Commission (FCC) issued its “ETC order.”¹ This order established a minimum set of criteria the FCC uses in evaluating applications for ETC designation. Additionally, the FCC encouraged state commissions that retain jurisdiction over ETC designation to voluntarily adopt the FCC’s additional requirements for ETC status. The overall goal of the FCC minimum requirements was to create a more predictable and rigorous designation process which, if adopted by state commissions, would preserve the long term sustainability of the federal USF.

On January 25, 2006, and in Docket No. 2006-37-C, the Office of Regulatory Staff (ORS) filed a Petition for a Rulemaking Proceeding to Examine the Requirements and Standards to be Used by the Commission When Evaluating Applications for ETC Status and When Making Annual Certification of ETC Compliance to the FCC. The Commission scheduled workshops for October 12, 2006 and May 25, 2007, and held a hearing on June 26, 2007. The Commission has accepted Comments from various participants to the proceeding. The Office of Regulatory Staff filed proposed requirements and standards which incorporated the more stringent FCC requirements. As of the date of this order, the Commission continues its work toward finalizing its own requirements and standards for evaluating applications for ETC status or for annual certification to the FCC of ETC compliance. However, in its March 27, 2007 order, the Commission stated it “should be guided by reference to the services designated for support set out at 47 CFR 54.101.”

¹ Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371 (2005).

On May 9, 2007, FTCC filed its Application for Designation as an ETC under 47 U.S.C. § 214(e)(2), demonstrating it met the requirements for receiving ETC status as stated by the FCC. South Carolina Telephone Coalition (SCTC) intervened. ORS was a party pursuant to statute.

The public hearing was held at the Commission offices on July 25, 2007, with the Honorable G. O'Neal Hamilton, Chairman, presiding. At the hearing, William E. DuRant, Jr., Esquire, and Stephen G. Kraskin, Esquire, represented FTCC. John Bowen, Esquire, and Sue-Ann Gerald Shannon, Esquire, represented the SCTC. C. Lessie Hammonds, Esquire, and Shealy Boland Reibold, Esquire, represented ORS.

FINDINGS OF FACT

After thorough consideration of the entire record including the testimony, exhibits and the applicable law, the Commission makes the following findings of fact with respect to FTCC's application:

1. FTCC is a common carrier authorized to provide Cellular Mobile Radio Service throughout Clarendon, Lee, Sumter, and Williamsburg counties and in portions of Florence and Georgetown counties.

2. FTCC has operated for several years in South Carolina and has expressed its commitment to continuing and expanding its service to South Carolina residents through utilization of USF funds it would receive if its application for ETC status is approved.

3. FTCC currently provides the supported services required by the FCC to its customers. FTCC has agreed to offer all of the nine services set forth in 47 C.F.R. §54.101(a) using its own facilities or a combination of its own facilities and the resale of another carrier's services. The requirement that a carrier "offer" the services does not mean it must actually

provide ubiquitous service prior to certification as an ETC, and the Commission cannot place such a condition on a carrier prior to certification.²

4. FTCC has submitted a plan, including coverage maps, detailing its planned expansion and improvement of its network, should it receive federal USF funding. The expansion and improvements will enhance the availability of service to unserved and underserved areas.

5. FTCC has reiterated that further expansion of and improvements to equipment and services may no longer be initiated in the designated areas unless it receives USF funding.

6. Federal USF funding is intended to ensure that consumers in all regions of the nation have access to quality telecommunications services at just, reasonable, and affordable rates and that the services and rates in rural, insular, or high cost areas are comparable to those in urban areas.³ Granting FTCC ETC status would expand service to currently unserved or underserved rural areas of South Carolina for which FTCC seeks ETC designation. Also, granting FTCC ETC status will extend the availability of Lifeline and Link-up services to some of the lower income counties within the State. FTCC states it will advertise Lifeline and Link-up services throughout the ETC designated areas through all available local media and other forms of advertising as well as through local social service agencies, should its application for ETC status be approved.

7. Granting FTCC ETC status would promote the public interest by inducing further investments in the communication infrastructure in the rural areas of South Carolina.

² See e.g. Federal State Joint Board on Universal Service, RCC Holdings, Inc., Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area in the State of Alabama, Memorandum Opinion and Order, DA 02-3181 (Wireless Competition Bureau, rel. November 27, 2002).

³ 47 U.S.C. 254(b).

8. Granting FTCC ETC status would promote the public interest through the encouragement of economic development in rural areas due to the availability of state of the art and high quality wireless services.

9. Granting FTCC's petition to be named an ETC would bring additional federal USF funds into South Carolina. In 2006 and prior years, South Carolina received no allocations from the USF for competitive ETCs despite paying into the fund. South Carolina is one of only a few states and territories of the United States which has not received federal USF support in conjunction with the designation of competitive ETCs.

10. FTCC has provided substantial information to the Commission regarding its application and has indicated it is willing to provide any further information the Commission requests in the future.

11. The Commission has authority to impose additional requirements on carriers it designates as ETCs in South Carolina. In doing so, the Commission recognizes that the additional requirements adopted by the FCC as set forth in 47 C.F.R. § 54.202(a) are more stringent than the requirements previously used for ETC designation and these new requirements will be guiding principles in development of Commission rules established for ETC designation. The Commission further recognizes these guidelines were the underlying principles used in the Commission-promulgated rules filed with the Legislative Council for designation of new ETCs. While the Commission continues to develop its own rules as of the date of this order, it has chosen to proceed with review of the applications for ETC designation.

12. FTCC has met all the necessary statutory and regulatory prerequisites established in 47 U.S.C. §214(e)(1) for designation as an ETC and demonstrated that the public interest, specifically the interest of South Carolina citizens, will be furthered through ETC designation.

13. Pursuant to FCC guidelines, the Commission finds that it is in the public interest, as defined by the FCC, to grant FTCC ETC status for the above-stated reasons.

14. The Commission is to submit an annual certification to the FCC that a carrier has remained in compliance with the ETC requirements and standards prior to an ETC receiving continued federal USF support. Should the Commission determine, upon FTCC seeking recertification in subsequent years, FTCC has not honored or followed through on its commitments and plans as set forth before the Commission, the Commission may deny FTCC's annual recertification, thereby precluding FTCC from receiving further federal USF support.

IT IS, THEREFORE, ORDERED THAT:

1. The Commission has jurisdiction to designate FTCC as an ETC pursuant to 47 U.S.C. § 214(e)(2).

2. FTCC is hereby designated, effective as of the date of this Order, as an ETC and is eligible to receive all available support from the federal USF, including support for rural and "high-cost" areas and "low income" customers within its designated service territory.

3. All federal USF funding received as a result of this Order will be used to support the expansion and improvement of services in designated areas and provide Lifeline credits for low income customers.

4. FTCC shall advertise to the public in its ETC-designated area that it is offering the supported universal services, and the charges for those services, in local circulation newspapers. FTCC shall also advertise to the public the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for such services.

5. FTCC shall abide by its commitment to provide service throughout its ETC-designated service area to all customers, including low income customers, making a request for service, the reasonableness of which may be determined by ORS.

6. FTCC shall abide with all applicable statutes, rules, and regulations affecting ETC status and obligations. FTCC shall also abide by the requirements and standards which may be established by this Commission in Docket No. 2006-37-C.

7. FTCC shall comply with all annual reporting and certification requirements as set forth by applicable statutes, rules, and regulations.

8. Should the Commission determine FTCC has not honored its commitments and plans as set forth before the Commission, or has failed to follow the applicable statutes, rules, or regulations, the Commission may deny FTCC's annual recertification, effectively revoking FTCC's designation as an ETC.

9. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

G. O'Neil Hamilton, Chairman

ATTEST:

C. Robert Moseley, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2007-193-C

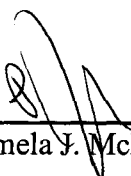
IN RE:

Petition of FTC Communications,)	
Incorporated d/b/a FTC Wireless for the)	CERTIFICATE OF
Designation as an Eligible)	SERVICE
Telecommunications Carrier)	

This is to certify that I, Pamela J. McMullan, have this date served one (1) copy of the **PROPOSED ORDER** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

William E. DuRant, Jr., Esquire
Schwartz, McLeod, DuRant and Jordon
10 Law Range
Sumter, SC 29150

Margaret M. Fox, Esquire
M. John Bowen Jr., Esquire
Sue-Ann Gerald Shannon, Esquire
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC, 29211



Pamela J. McMullan

September 17, 2007
Columbia, South Carolina